



J. TYLER McCAULEY
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

KENNETH HAHN HALL OF ADMINISTRATION
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January 20, 2004

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**TRANSFER THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY
ACT, 1996 (HIPAA) PRIVACY OFFICER POSITION AND RESPONSIBILITIES
TO THE AUDITOR-CONTROLLER
(All Districts) (3 VOTES)**

**JOINT RECOMMENDATION WITH THE CHIEF INFORMATION OFFICER THAT
YOUR BOARD:**

1. Approve the attached ordinance to transfer one budgeted position, Senior Information Technology Consultant, functioning as Chief Information Privacy Officer, and the associated HIPAA responsibilities to the Department of the Auditor-Controller.
2. Approve the attached mid-year budget adjustment to transfer \$111,000 from the Chief Information Officer to the Auditor-Controller for Salary and Employee Benefits and Services and Supplies related to the HIPAA Privacy Officer responsibilities.
3. Approve a change in the designated functional title of the Countywide privacy official from Chief Information Privacy Officer to County HIPAA Privacy Officer.
4. Approve and authorize the Chief Administrative Officer to include the full-year funding for the HIPAA Privacy Officer in the Auditor-Controller's status quo budget for Fiscal Year 2004-05 and reduce the Chief Information Office's Fiscal Year 2004-05 budget by a corresponding amount. This includes \$150,000 in Salary and Employee Benefits and \$18,333 in Services and Supplies.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of these recommendations is to move the ongoing support responsibilities, outlined in the HIPAA Privacy Rules, and the Privacy Officer position from the Chief Information Office to the Auditor-Controller. The recommended actions also transfer the mid-year appropriation for the related salaries and benefits and services and supplies budgeted for fiscal year 2003-2004. Additionally, it is recommended that your Board authorize the Chief Administrative Officer to include full-year appropriations for a total of \$168,333 in the Auditor-Controller's status quo budget for Fiscal Year 2004-05 and correspondingly reduce the Chief Information Office's budget.

On January 7, 2003, your Board approved a series of actions required to implement the HIPAA Privacy Rules. These actions included declaring the County of Los Angeles a "Hybrid Covered Entity" as defined within the HIPAA Regulations and establishing the responsibilities of the County's Privacy Officer to address the activities required under the HIPAA Privacy Rules.

The Department of Health Services, Department of Mental Health and the Kirby Center of the Department of Probation were initially identified as the organizations subject to the HIPAA Privacy Rules. Activities in other departments may be included in the future as the County's HIPAA Privacy Officer continues assessing implementation of the HIPAA Privacy Rules. Each of the organizations initially identified are substantially compliant with the HIPAA Privacy Rules, policies and procedures. The responsibilities of the HIPAA Privacy Officer are primarily 1) monitoring and auditing adherence to the established policies and procedures and 2) reviewing and responding to privacy complaints submitted by the public.

The ongoing responsibilities of monitoring and auditing have been determined to more consistently align with the mission of the Auditor-Controller rather than that of the Chief Information Office. It is the recommendation of the Auditor-Controller and the Chief Information Officer that the Privacy Officer position and the HIPAA-related privacy responsibilities be transferred to the Department of the Auditor-Controller. The Chief Administrative Officer and the Director of Human Resources agree with the transfer.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

This action supports the County's Strategic Plan Goal of Organizational Effectiveness by providing more consistent alignment of the position responsibilities with the mission of the Department.

FISCAL IMPACT/FINANCING

The recommended action will authorize a mid-year transfer of \$75,000 in Salaries and Employee Benefits and \$35,746 in Services and Supplies from the Chief Information Officer to the Auditor-Controller. The Services and Supplies appropriation includes \$26,579 in one-time funding. The additional recommendation to reflect this change in responsibility in the respective department's status quo budget for Fiscal Year 2004-05 provides full-year funding to the Auditor-Controller to support these responsibilities. The proposed transfer of this responsibility and the related Privacy Officer position will not increase net County costs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Health Insurance Portability and Accountability Act - 1996, requires organizations to identify a position and the responsibilities of the County's Privacy Officer. On January 7, 2003, your Board approved a recommendation that designated the Chief Information Privacy Officer as the "(a) Countywide privacy official responsible for privacy policies and procedures on behalf of the Covered Entity, the County of Los Angeles" and "(b) Countywide complaint official responsible for coordinating the resolution of privacy complaints on behalf of the Covered Entity." The accompanying ordinance amending Title 6, Salaries of the Los Angeles, County Code, has been approved as to form by the County Counsel.

The recommended action to revise the functional title of the designated Countywide privacy official updates an earlier action by your Board and provides a more accurate functional label for the responsibilities affected by the recommended transfer of the budgeted position and its incumbent. Approval of the recommended actions will transfer responsibility for HIPAA-related privacy responsibilities as may be required to maintain compliance with the HIPAA Privacy Rules.

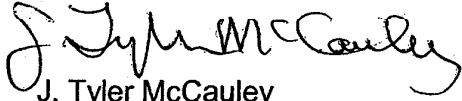
IMPACT ON CURRENT SERVICES (OR PROJECTS)

The recommended actions will transfer the HIPAA privacy responsibilities to the Auditor-Controller. The broader information privacy activities across the non-HIPAA covered departments will remain within the Chief Information Office.

CONCLUSION

Upon approval and execution by the Board of Supervisors, it is requested that the Executive Officer-Clerk of the Board send an adopted copy of the Board Letter and Budget Adjustment to the Auditor-Controller and to the Chief Information Officer.

Respectfully submitted,


J. Tyler McCauley
Auditor-Controller


Jon M. Fullinwider
Chief Information Officer

JTM:JWF:JW:ygd

Attachments

c: Chief Administrative Officer
Executive Officer, Board of Supervisors
County Counsel
Director of Personnel, Department of Human Resources

COUNTY OF LOS ANGELES
REQUEST FOR APPROPRIATION ADJUSTMENTDEPT'S. 080
No.

DEPARTMENT OF Chief Information Office

Dec 30, 2003 19

AUDITOR-CONTROLLER.

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. WILL YOU PLEASE REPORT AS TO ACCOUNTING AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF ADMINISTRATIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

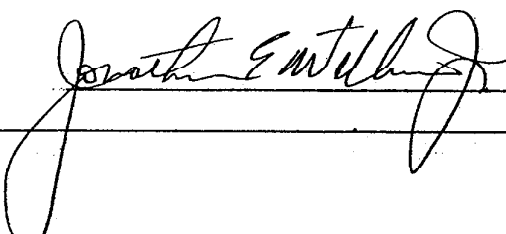
ADJUSTMENT REQUESTED AND REASONS THEREFOR

<u>Sources</u>	<u>3-Vote</u>	<u>Uses</u>
Chief Information Office		Department of Auditor-Controller
Services and Supplies		Services and Supplies
A01-IO-10070-2000		A01-AU-10700-2000
\$36,000		\$36,000
 Chief Information Office		 Department of Auditor-Controller
Salary and Employee Benefits		Salary and Employee Benefits
A01-IO-10070-1000		A01-AU-10700-1000
\$75,000		\$75,000
Total: \$111,000		Total: \$111,000

JUSTIFICATION

This appropriation adjustment transfers one Senior Information Technology Consultant position (functioning as HIPAA Privacy Officer) and the HIPAA-related responsibilities from the Chief Information Office to the Department of Auditor-Controller. It appropriates the mid-year (January 2004 to June 2004) transfer amount for Salary and Employee Benefits and Services and Supplies to support the transfer of HIPAA Privacy Officer responsibilities from the Chief Information Office to the Department of Auditor-Controller.

CHIEF ADMINISTRATIVE OFFICER'S REPORT


REFERRED TO THE CHIEF
ADMINISTRATIVE OFFICER FOR—

ACTION

APPROVED AS REQUESTED

AS REVISED

RECOMMENDATION

Dec. 30 2003

Robert J. Romerch

CHIEF ADMINISTRATIVE OFFICER

AUDITOR-CONTROLLER BY

APPROVED (AS REVISED):
BOARD OF SUPERVISORS

19

No. 173

Dec. 30 2003

BY

DEPUTY COUNTY CLERK

ANALYSIS

This ordinance amends Title 6 - Salaries, of the Los Angeles County Code by:

- Adding and changing one (1) classification and number of ordinance positions in the departments of Auditor Controller and Chief Information Office.

LLOYD W. PELLMAN
County Counsel

By: 

LESTER J. TOLNAI
Principal Deputy County Counsel
Management Services Division

ORDINANCE NO._____

An ordinance amending Title 6 - Salaries, of the Los Angeles County Code by adding and changing one (1) classification and number of ordinance positions in the departments of Auditor Controller and Chief Information Office.

The Board of Supervisors of the County of Los Angeles ordains as follows:

SECTION 1. Section 6.40.010 (Auditor-Controller) is hereby amended to add the following class and number of ordinance positions:

...

ITEM NO.	NO. OF ORDINANCE POSITIONS	TITLE
<u>2564A</u>	<u>1</u>	<u>SR INFO TECHNOLOGY CONSULTANT, CIO</u>

...

SECTION 2. Section 6.51.010 (Chief Information Office) is hereby amended to change the number of ordinance positions:

ITEM NO.	NO. OF ORDINANCE POSITIONS	TITLE
<u>2564A</u>	<u>40</u> <u>9</u>	<u>SR INFO TECHNOLOGY CONSULTANT, CIO</u>

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